SPECIAL TAXES AND FEES

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NEWSLETTER

In This Issue

New Legislation takes effect January 1, 2015	.2
California Tire Fee	.3
What tires are subject to the California tire fee?	.3
Cigarette and Tobacco Products Taxes	.3
Cigarette and tobacco products license online renewal	.3
Cigarette tax online filing program	.3
Cigarette and tobacco products schedules	.3
The California Tobacco Directory	. 4
Avoid making common errors on tobacco products distributor	
tax returns	. 4
Cigarette and tobacco products retailers: remember to retain your	
invoices and maintain your records	
Diesel Fuel Tax	.5
First time filing a refund claim for tax paid on diesel fuel	_
used for nontaxable purposes	.5
New and improved online services for the International	
Fuel Tax Agreement (IFTA)	
Diesel Fuel and Motor Vehicle Fuel Tax	. 6
Sublease of inventory position in a fuel terminal and/or a	_
"flash title transfer"	
Marine terminal reporting tips	.6
Petroleum products and crude oil imported into	
California by rail	
Emergency Telephone Users Surcharge	
Charges not subject to 911 surcharge	
Surcharge rate information	
Hazardous Substances Tax/Fees	.8
New hazardous substances and occupational lead poisoning	0
prevention program fee rates	
Motor Vehicle Fuel Tax	
Supplier of MVF credit (refund) returns	
Oil Spill Prevention and Administration Fees	.0
New reporting and registration requirements for oil spill prevention and administration fee	0
Use Fuel Tax	
New online renewal system for annual flat rate fuel tax	
General Interest	
Online account maintenance	
Managed Audit Program expanded to special tax and	. 9
fee programs	a
Open BOE data portal	
Annual Taxpayers' Bill of Rights Hearings	
Know your rights	
Civil behavior in trying times	
Ethics at work — "Thank you" is enough	
Lundo at Work Thank you to offought	

FIND ARTICLES OF INTEREST

We invite you to scroll through the pages to find, or to click on the article title in the "In this issue" section to move directly to, an article of interest. Click on the BOE icon in the top left corner of the page to return to the table of contents. Links within the articles will take you to our website where you can find more information on the topic referenced.

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STAY INFORMED

This newsletter is published each December. Back issues of Environmental Fees, Excise Taxes, and Fuel Taxes newsletters are available on our website.

For more information regarding the special tax and fee programs administered by the Board of Equalization (BOE), please go to www.boe.ca.gov. You can also sign up online to receive this newsletter at Get BOE.updates.

New Legislation

The following is a summary of law changes enacted during the 2014 California legislative session that affect several Board of Equalization (BOE) special tax and fee programs. The changes described in this article are effective January 1, 2015, unless otherwise noted. To read the bills visit www.leginfo.ca.gov/bilinfo.html.

- Assembly Bill (AB) 1717 (Stats. 2014, Ch. 885) enacts the Prepaid Mobile Telephony Service Surcharge Collection Act. Imposes upon amounts paid by each consumer for prepaid mobile telephone services, a prepaid mobile telephony services (MTS) surcharge to be collected by a seller at the time of each retail transaction involving prepaid MTS in this state (reported on the Sales and UseTax Return). This surcharge is imposed in lieu of the surcharges and user fees imposed on prepaid MTS charges under existing law. Requires service suppliers to report retail transactions of MTS on the Emergency Telephone User Surcharge Return (TU). This bill was effective September 30, 2014, but the surcharge is not operative until January 1, 2016. It creates guaranteed funding for the State Emergency Telephone Number Account (SETNA) that would require billings if the minimum \$9.9 million funding is not met beginning with the fiscal year 2016/17 calculation.
- AB 1907 (Stats. 2014, Ch. 805) requires
 compressed natural gas (CNG) and liquefied
 natural gas (LNG) sold as motor vehicle fuels
 to be metered, labeled, and taxed in units
 of gasoline- and diesel-gallon equivalents,
 respectively. Maintains the existing excise
 taxes on CNG and LNG, but changes the units
 of measure and adjusts the excise tax rates to
 conform to gallon equivalents (\$0.0887 for each
 gasoline gallon equivalent of CNG and \$0.1017 for
 each diesel gallon equivalent of LNG).
- AB 2009 (Stats. 2014, Ch. 105) adds Managed
 Audit Program authority to the following special
 tax and fee laws: Fee Collection Procedures Law;
 Motor Vehicle Fuel Tax Law; Use Fuel Tax Law;
 Cigarette and Tobacco Products Tax Law; Alcoholic
 Beverage Tax Law; Energy Resources Surcharge
 Law; Emergency Telephone Users Surcharge
 Law; Hazardous Substances Tax Law; Integrated
 Waste Management Fee Law; Oil Spill Response,
 Prevention, and Administration Fees Law;
 Underground Storage Tank Maintenance Fee Law;
 and Diesel Fuel Tax Law.

For more information, see related article, Managed Audit Program expanded to special tax and fee programs.

- AB 2048 (Stats 2014, Ch. 895) makes changes to numerous fire prevention fee processes, such as:
 - makes the Fire Board's annual rate adjustment optional;
 - provides fee relief for a natural disaster;
 - adds an "administrative protest" procedure to be administered by CAL FIRE;
 - eliminates the requirement to notify both the BOE and the Fire Board of a petition for redetermination; and
 - replaces the recurring 20 percent penalty with a one-time 10 percent penalty, and prohibits the 20 percent penalty from being imposed or added to the fee that remains unpaid.
- Senate Bill (SB) 445 (Stats. 2014, Ch. 547) extends
 the operation of the Barry Keene Underground
 Storage Tank Cleanup Trust Fund Act of 1989 until
 January 1, 2026, and increases the underground
 storage tank maintenance fee rate by six mills
 (\$0.006) per gallon, from \$0.014 to \$0.020 per
 gallon beginning January 1, 2015.
- SB 861 (Stats. 2014, Ch. 35) expands the current marine water oil spill program to a state-wide program imposing the fee on a person owning crude oil or petroleum products at the time the crude oil or petroleum products are received at a refinery, by any mode of delivery that passed over, across, under, or through waters of the state, whether from within or outside the state. The bill also deletes the provision that would reduce the fee beginning on January 1, 2015 and creates a rebuttable presumption that crude oil or petroleum products received at a marine terminal or refinery passed over, across, under, or through waters of the state. It prohibits the BOE from accepting or considering a petition for redetermination of fees or a claim for refund of fees if the claim is founded upon grounds the crude oil or petroleum products did or did not pass over, across, under, or through waters of the state. This bill was effective September 18, 2014. The claim or appeal will be forwarded to the Department of Fish and Wildlife for consideration. For more information, see related article, New reporting and registration requirements for oil spill prevention and administration fee.

California Tire Fee

What tires are subject to the California tire fee?

The California Tire Fee is assessed on the retail purchase of new tires.

Tires that are subject to the fee are new solid or pneumatic tires that are intended for use with, but sold separately (replacement tires) from on-road or off-road motor vehicles; motorized equipment; construction equipment; and farm equipment. The fee is also due on new solid or pneumatic tires (including the spare) that are included with the purchase of a new or used motor vehicle (including a trailer drawn upon a highway or road); new or used construction equipment; and new or used farm equipment. Retailers that sell tires subject to the fee are required to register with the BOE, file a return and pay the fees.

A "pneumatic tire" is an inflated tire, or a tire capable of inflation, with compressed air.

Retreaded, reused, or recycled tires are not subject to the fee.

Tires not subject to the fee include tires intended for use or sold with:

- any self-propelled wheelchair;
- any motorized tricycle or motorized quadricycle as defined in California Vehicle Code section 407; and
- any vehicle that is similar to a motorized tricycle or motorized quadricycle and is designed to be operated by non-ambulatory persons.

For additional information regarding the California Tire Fee, please see BOE publication 91, California Tire Fee.

Cigarette and Tobacco Products Taxes

Cigarette and tobacco products license online renewal

You can now renew cigarette and tobacco products licenses online.

To remind you to renew timely, the BOE will send two notifications: one by U.S. mail and the other by email, approximately 60 days prior to the date your license expires. The online renewal process requires that you be a registered user with the BOE. To register, log on to the BOE website at https://efile.boe.ca.gov/boe/registration.jsp and complete the online registration. More online renewal information is available by viewing the frequently asked questions at www.boe.ca.gov/sptaxprog/CTP_Lic_ALR_FAQs.htm.

To receive the latest news, including renewal reminders and other information that may affect your account, it is very important that you provide and maintain your current email address with us.

If you have any questions or would like more information about renewing your license online, please contact our Customer Service Center at 1-800-400-7115 (TTY:711), Monday through Friday from 8:00 a.m. to 5:00 p.m. (Pacific time) excluding state holidays.

Cigarette tax online filing program

Cigarette manufacturers and distributors may file their returns, reports, and schedules online. Online filing is convenient, fast and secure, and the most accurate way to file returns, reports, and schedules. Your online filing also reduces the BOE's cost of administering tax and fee programs.

To help you prepare for online filing, please visit www.boe.ca.gov/sptaxprog/cig_efile.htm where you will find general instructions, schedule templates, frequently asked questions, and other useful information about online filing.

If you are interested in participating in online filing, please contact our Customer Service Center at 1-800-400-7115 (TTY:711), and select the Special Taxes option, or email us at *BOECTeFile@boe.ca.gov*.

Cigarette and tobacco products schedules

The BOE must compile information about cigarettes and loose leaf tobacco suitable for making cigarettes (roll-your-own [RYO]) sold in California and made by manufacturers who did not sign the Master Settlement Agreement.

Existing law requires every cigarette and tobacco products distributor to file a return and accompanying schedules on or before the 25th day of the month following the reporting period. Failure to comply with the filing and reporting requirements may result in revocation of the distributor's license.

If you are a cigarette distributor, you are required to report all brands that were purchased or sold for the reporting period. If you had no activity, you must still file a return reporting zero sales. If you are a tobacco products distributor and had no reportable activity for the period, you must check the box on line 1A of BOE-501-CT (S1F), *Tobacco Products Distributor Tax Return*, and file the return timely to avoid being considered delinquent for the reporting period.

The California Tobacco Directory

The California Tobacco Directory (CTD) lists all tobacco products, manufacturers, and brand families that are certified as being in compliance with California law. Only cigarette brands and RYO tobacco products listed on the CTD may be sold, offered for sale or possessed for sale in California.

The CTD is updated periodically as manufacturers and brands are added to or removed from the CTD. All licensees are responsible for reviewing the CTD to ensure the cigarettes and RYO in their possession are compliant.

You can sign up to receive email updates when changes are made to the CTD. To view the CTD or subscribe for email alerts, please visit http://oag.ca.gov/tobacco/directory. The CTD is on the left side of the page, and you may subscribe in the area on the right side of the page.

Avoid making common errors on tobacco products distributor tax returns

• Report the correct wholesale cost of distributions.

Include the dollar value of discounts.

Generally, distributors must calculate their tax liability on "other tobacco products" (OTP) using their cost (that is, purchase price) of the tobacco products, including the dollar value of any discounts or trade allowances given by the manufacturer or supplier.

Exclude only freight or transportation charges that are separately stated. Freight or transportation charges for shipment between the manufacturer or supplier and distributor are excluded from the calculation of tax if those charges are separately stated on the invoice. However, if a separately stated charge is designated as "postage and handling" or "shipping and handling," only that portion of the charge representing actual postage or actual shipment may be excluded.

Do not report the cost of tax-paid OTP. An invoice for tax-paid product must include a statement that the California tobacco tax has been paid or is included in the invoice

amount. Products for which you have received an invoice indicating that the taxes have been paid can be excluded from your tax return.

Retain copies of all invoices for your records for a minimum of four years.

· Report distributions in the proper period.

"Distribution" includes the sale, use, or consumption of untaxed OTP, or the movement of untaxed OTP to your retail sales area. Taxes must be reported on all distributions that occur during the month or quarterly reporting period of each return.

• Maintain records for undistributed OTP.

Distributors who keep a separate stock of untaxed, undistributed OTP are reminded to maintain all records necessary to determine the correct tax reporting period (date of distribution) and tax liability. The untaxed stock must be segregated from retail stock and be inaccessible to the public. Unless adequate records are kept to the contrary, the BOE will presume that all tobacco products acquired by a distributor are untaxed and have been distributed in a taxable manner.

 Properly report sales shipped out of state (interstate commerce exemption).

Correctly report tax exempt sales. Sales of OTP which are shipped to an out-of-state buyer by a distributor may be reported as an exempt sale. The distributor must report their wholesale cost (purchase price) on their tax return form, not their sales price to the out-of-state buyer, and also enter that amount on the interstate sales exemption portion of the return.

Claim the exemption only for OTP on which you paid the tax. If the taxes have already been paid to the BOE by a distributor on OTP subsequently exported or shipped to an out-of-state buyer, the distributor may obtain a refund of the taxes paid. The BOE will only refund the tax to the distributor who paid the tax to the BOE.

Make your claim for refund timely. A claim for refund based upon the exportation of tax-paid tobacco products from this state must be filed with the BOE within three months after the close of the calendar month in which the tobacco products are exported. (See Regulation 4063.5.)

Maintain adequate documentation. Evidence of delivery of OTP to a destination outside California must be retained by the distributor. In

the case of foreign export, copies of United States Customs shippers' export declarations filed with the Collector of Customs or other documentary evidence of export must be obtained and retained.

• Maintain records that support your tobacco products distributor returns. Distributors should maintain records for a period of four years after the tax return's due date or from the date the return was filed, whichever is later. Retain all records necessary to determine the correct tax liability, including books of account, bills, receipts, invoices, cash register tapes, or other documents supporting tax returns and reports. Also, distributors must retain at the licensed premises invoices of all tobacco product purchases for a period of one year from the date of purchase.

Cigarette and tobacco products retailers: remember to retain your invoices and maintain your records

Keeping accurate records helps you comply with important state regulations. Remember to retain purchase invoices for your stock of cigarettes and tobacco products for four years.

Among other required information, the invoices you receive from a wholesaler or distributor must include the name, address, telephone number, and cigarette and tobacco products license number of the wholesaler or distributor, and a statement that tax was paid.

IMPORTANT REMINDER: The most recent 12 months of invoices must be kept at the retail location for at least one year after purchase. You must provide them upon request during normal business hours for inspection and copying by BOE staff or a member of a law enforcement agency.

Any retailer who fails, refuses, or neglects to retain or make available invoices for inspection is in violation of the Cigarette and Tobacco Products Licensing Act and may be cited. See publication 78, Sales of Cigarette and Tobacco Products in California, for more information on recordkeeping.

Diesel Fuel Tax

First time filing a refund claim for tax paid on diesel fuel used for nontaxable purposes

You must apply for a diesel user (DU) account number

before filing a claim for refund of tax paid on diesel fuel used for nontaxable purposes. You can register for a DU account using the BOE online registration system. Visit our website at www.boe.ca.gov/elecsrv/ings.htm for a list of general information you will need to get started. However, online registration is not available to entities that are not registered with the California Secretary of State (for example, foreign corporations, limited liability companies, and limited partnerships). Contact the BOE's Appeals and Data Analysis Branch at 1-916-445-2988, weekdays from 8:00 a.m. to 5:00 p.m. (Pacific time), except state holidays.

First-time DU filers will be asked to submit a completed BOE-32, *Diesel Fuel Tax Claim for Refund Questionnaire.*

For more information on diesel user claims for refund, please visit our website at www.boe.ca.gov/sptaxprog/refund/fag_users.htm.

New and improved online services for the International Fuel Tax Agreement (IFTA)

The BOE is expanding and upgrading online services for the International FuelTax Agreement (IFTA) program.

- IFTA Renewal and Additional Decal Requests—In March 2014, the BOE implemented a program to allow carriers to renew their IFTA license and request additional decals online. Your feedback has been positive so we are pleased to expand the program. All 2015 renewal and additional decal requests must be submitted online.
- IFTA Tax Returns—Our online filing services allow current quarter tax returns to be filed online. This fall, we expanded our services to allow you to amend your tax return or file late returns online.
 Our new system will simplify how you file your tax return and will help you avoid filing errors and penalties.
- Account History—The history information currently viewable on our system is limited. Our new system will allow you to view most of your account history including your filed tax returns and several years of decal history.
- Accounts Receivable Balances—Our upgraded system allows you to view your outstanding billings and pay your invoices online. There is no change to our payment options which include ACH debit and credit card payments.

address.

 Account Maintenance—Our upgraded system allows limited online account maintenance changes.

We continue to offer many other online services, such as registering for a new license, purchasing a California FuelTrip Permit, and the ability to request relief of penalty and interest. These services are not affected by our system upgrade. You will find all of our online services at www.boe.ca.gov.

Do we have your correct business email address? Reminders to file your return and renew your IFTA license will be emailed to your business email address listed in our system. Log in with your user ID and password at www.boe.ca.gov to verify your email

Attend one of our IFTA workshops. We will be holding workshops throughout the state to preview our new IFTA return processing system and provide hands-on assistance to make sure you can access our system. Visit our website at www.boe.ca.gov to find the workshop location nearest you.

Diesel Fuel and Motor Vehicle Fuel Tax

Sublease of inventory position in a fuel terminal and/or a "flash title transfer"

The supplier is required to report terminal rack removals and pay any applicable California excise tax for all flash title transfers and all sublessee activities of the position holder. Flash title transfers are subject to the same reporting requirements as subleases. The position holder is the supplier responsible for reporting terminal rack removals and paying any applicable excise tax, not the transferee.

The imposition of tax and reporting requirements for events at a terminal are clearly defined in the Diesel Fuel Tax and Motor Vehicle Fuel Tax Laws. The supplier required to report terminal rack removals and pay any applicable excise tax is the position holder of the product. "Position holder" includes any person that holds the inventory position in the fuel, as reflected on the records of the terminal operator. A person holds the inventory position in fuel when that person has a contractual agreement with the terminal operator for the use of storage facilities.

Marine terminal reporting tips

Terminals at marine facilities face unique reporting

challenges. Common reporting challenges are presented by dyed diesel fuel, bunker fuel, undefined products, and position holders.

- Dyed diesel fuel is not shipped in the pipeline; the clear diesel fuel received at the terminal is either dyed upon receipt and stored as dyed diesel fuel or dyed upon disbursement. Regardless of when the fuel is dyed, the receipt of clear diesel fuel and its conversion to dyed fuel must be reported along with the final disbursement. Prior newsletter articles offer instructions on product reclassifications. You can find archived newsletter articles on the BOE website at www.boe.ca.gov/news/ftncont.htm.
- Splash-blending. Splash-blended products disbursed should be reported as the blended product. As with dyed diesel fuel, it is necessary to report a product conversion.
- Bunker fuel is technically any type of fuel used aboard ships. However, different classifications exist. No. 1 fuel oil is reported using product code 150. No. 2 fuel oil is commonly called marine gas oil (MGO) and is reported using product code 280. No. 3 6 fuel oils are collectively reported as marine diesel oil using product code 279.
- Undefined products. All products moving into or out of the terminal must be reported on the terminal receipt and terminal disbursement schedules regardless of whether or not they qualify as petroleum products. BOE-810-FTA, Product Code Table Sorted by Product Code Number, provides a list of codes for use in identifying every product. If the product is not identified on this table with its own product code, it is considered an unidentified product and should be reported using product code 092. The BOE-810-FTA is available on the BOE website at www.boe.ca.gov/pdf/boe810fta.pdf.
- Position holders must be reported for all disbursement transactions regardless of the product being reported. This includes undefined products (product 092).

Petroleum products and crude oil imported into California by rail

With the development of new sources of crude oil, such as the Bakken formation, crude oil is entering California in larger quantities via railcar. Crude oil is reported using product code 001. This article is intended to clarify the reporting requirements for imports of crude oil by rail.

Terminal Operators

Terminal operators are required to report all products entering or leaving the terminal. Crude oil received by rail is reported the same as any other terminal receipt using mode code "R."

Suppliers

Motor vehicle fuel and diesel fuel suppliers are required to report all imports of motor vehicle fuel and diesel fuel into California. Imports by rail are reported on schedules 3B, Imports of Out-of-State Tax-Free Motor Vehicle Fuel Blendstocks to an Approved Refinery or Terminal (Supplier of MVF only), 3X, Imports Below the Terminal Rack Subject to Tax, and 3Y, Imports Below the Terminal Rack Not Subject to Tax. For detailed information on completing the schedules for your return, refer to BOE-810-FTE, Instructions for Preparing Motor Fuels Schedules, available on the BOE website at www.boe.ca.gov/pdf/boe810fte.pdf.

Petroleum Carriers

Any person transporting motor vehicle fuel, diesel fuel, jet fuel, or fuel grade alcohol by rail in California (Train Operator) is required to register with the BOE as a common carrier of petroleum products and report them on the Petroleum Carrier Report. The train operator involved in the first receipt event in California is responsible for reporting the carrier receipt, and the train operator involved in the delivery to the final destination or movement out of California is responsible for reporting the carrier delivery. This may or may not be the same train operator.

Due to their unique operations, train operators have specific reporting requirements for some fields on the *Petroleum Carrier Report*. Following is a list of key fields and their special requirements. For a complete list of fields and their requirements as well as examples, refer to *Train Operator Reporting* on the BOE website at www.boe.ca.gov/sptaxprog/efiling/TRE-TrainReportingPC.pdf.

• Document Number

Use the railcar initials and railcar number together. For example, combining railcar initials WXYZ with railcar number 45678 creates document number WXYZ45678.

• Net Gallons

Report net gallons shipped in the railcar. If you use a conversion table to convert pounds to gallons, please contact the BOE for approval.

• Schedule 14D "Carrier Receipt" Origin Terminal TCN (City)

Report the Internal Revenue Service (IRS) terminal control number (TCN) or refinery control number (RCN). Report the city where the railcar shipment originated if the origin is not an approved IRS terminal or refinery. Do not use spaces and limit the entry to 9 characters. For example, San Francisco would be entered as SANFRANCI and Sacramento would be entered as SACRAMENT.

• Schedule 14E "Carrier Delivery" Destination Terminal TCN (City)

Report the IRS terminal control number (TCN) or refinery control number (RCN). Report the city where the railcar shipment reached its final destination if the destination is not an approved IRS terminal or refinery. Do not use spaces, and limit the entry to 9 characters. For example, San Francisco would be entered as SANFRANCI and Sacramento would be entered as SACRAMENT.

Emergency Telephone Users Surcharge

Charges not subject to 911 surcharge

The Emergency Telephone Users (911) Surcharge is applicable to all amounts paid by every person in this state for intrastate telephone services, including the reimbursement fee mandated by CPUC. The following charges are not subject to the 911 Surcharge:

- Access Recovery Charge
- Universal Service Fund Charge (USF)
- Universal Lifeline Telephone Service (ULTS)
- California High-Cost Fund-A and Fund-B (CHCF-A & CHCF-B)
- California Teleconnect Fund (CTF)
- California Relay Service and Communications Devices Fund (CA Relay/Comm), also known as the Deaf and Disabled Telecommunication Program (DDTP)
- California Advanced Service Fund (CASF)

The 911 Surcharge does not apply to any taxes imposed by the United States, or to charges for interstate telephone communication services. Some charges for telephone service, such as flat

rate and monthly recurring service charges, do not distinguish between intrastate and interstate usage. The nontaxable interstate portion of such charges must be prorated based upon the election of an optional method of calculating interstate usage reported on the BOE-501-TEA, Emergency Telephone Users Surcharge—Exempt Interstate Revenue Election Form.

Surcharge rate information

The Governor's Office of Emergency Services (OES) determines the annual rate of the Emergency Telephone Users' Surcharge. The OES has determined that the current surcharge rate will remain at 0.75 percent (0.75%) in order for the fund to remain solvent. For further information, see our notice, 2014 Emergency Telephone Users Surcharge Rate.

Hazardous Substances Tax/Fees

New hazardous substances and occupational lead poisoning prevention program fee rates

The BOE administers six programs under the Hazardous Substances Tax Law; five for the California Department of Toxic Substances Control (activity fee, disposal fee, environmental fee, facility fee, and generator fee) and one (occupational lead) for the California Department of Public Health.

The Hazardous Substances fees and the Occupational Lead Poisoning Prevention fee are adjusted each year by the incremental change in the Consumer Price Index (CPI) published by the California Department of Industrial Relations. Visit our website at www.boe.ca.gov/sptaxprog/tax_rates_stfd.htm#10 for the new rates that are in effect for these programs as of January 1, 2015.

Motor Vehicle Fuel (MVF) Tax

Supplier of MVF credit (refund) returns

Suppliers with a Supplier of Motor Vehicle Fuel Tax Return (return) for a credit (refund) have a special reporting situation. Credit returns constitute a claim for refund of tax-paid fuel and cannot be processed by the BOE. Refunds of tax paid fuel allowed by the Motor Vehicle Fuel Tax Law must be claimed separately with the State Controller's Office (SCO).

To resolve this situation, continue to report all credit activity on the appropriate series 13 credit schedule and use Schedule 5H, *Fuel Sold Originating Tax Collected*, to bring the tax due to zero. Schedule code 5H is used to offset the credit gallons claimed on Schedules 13A, 13B, 13C, 13G, 13J, 13M, and 13N that would create a credit/refund return. File a claim (Form SCGR-1) with the SCO for the tax on the gallons reported on schedule 5H.

For detailed information on completing the schedules for your return, refer to BOE-810-FTE, *Instructions for Preparing Motor Fuels Schedules*, available on the BOE website at www.boe.ca.gov/pdf/boe810fte.pdf.

For more information on how to file a refund claim (Form SCGR-1) with the SCO, go to their website at www.sco.ca.gov/ardtax_gas_tax.html. A claim for refund with the SCO must be filed within 3 years of the purchase date of the motor vehicle fuel per statute (Revenue and Taxation Code section 8105).

Oil Spill Prevention and Administration Fees

New reporting and registration requirements for oil spill prevention and administration fee

Beginning September 18, 2014, changes to the Oil Spill Prevention and Administration Fee (fee) Law created by Senate Bill (SB) 861 (Stats. 2014, Ch. 35) affected refinery, pipeline, and marine terminal operators.

Some changes include:

- Fee imposition on pipeline operators was removed;
- The fee is imposed on the owner of crude oil and petroleum products at the time they are received at a refinery or marine terminal within California by any mode of delivery;
- The fee applies to all crude oil and petroleum products transported over, across, under, or through waters of the state, not just marine waters;
- A rebuttable presumption that crude oil or petroleum products received at a marine terminal or refinery in California have passed over, across, under, or through waters of the state; and
- Revisions to the BOE-501-OA, Oil Spill Prevention and Administration Fee Return.

SB 861 also deleted the fee exception for independent crude oil producers, and deleted the provision authorizing the monies in the fund to be used to pay for the costs of rescue, medical treatment, rehabilitation, and disposition of oiled wildlife and authorized monies in the fund to be used to respond to an imminent threat of a spill in waters of the state.

Use Fuel Tax

New online renewal system for annual flat rate fuel tax

The BOE is pleased to announce a new online process to pay the annual flat rate fuel tax and obtain decals. Paying the annual flat rate fuel tax for your vehicles will allow you to purchase alternative fuels (liquefied petroleum gas [LPG], liquid natural gas [LNG]), and compressed natural gas (CNG) for those vehicles without paying use fuel tax to vendors. This new process allows you to quickly and conveniently pay the annual flat rate fuel tax using our online services system. It's easy to get started. Log in with your user ID and password at www.boe.ca.gov.

General Interest

Online account maintenance

Online account maintenance will be available starting in July 2015! Use our online services to make changes and keep your accounts updated. Account updates can be made to your location address, mailing address, doing business as (DBA) name, officer/member/manager/partner, email address, telephone number, fax number, and sublocation information. Check our website for updates.

Managed Audit Program expanded to special tax and fee programs

Conventionally, audits are performed by auditors who review your books and records at your place of business. However, beginning on January 1, 2015, the BOE will offer a voluntary Managed Audit Program (MAP) for certain special tax and fee programs. The MAP will save time for you and also help you comply with our tax and fee laws. Under the MAP, a taxpayer or feepayer performs much of the audit work themselves.

A managed audit is basically a type of self-audit that is conducted with the instruction and guidance from

a BOE auditor. Eligible taxpayers or feepayers are provided with written and oral instructions that will enable you to conduct many of the tasks ordinarily performed by the auditor.

If you complete a managed audit according to the MAP Participation Agreement and owe additional taxes or fees, you will pay interest on that liability at one-half the rate that would otherwise apply.

You may be eligible for a managed audit if you meet all the following criteria:

- Your transactions or activities involve few or no statutory exemptions;
- Your business activities involve a single or small number of clearly defined taxability or activity issues;
- You agree to participate in the MAP; and
- You have the resources to comply with the managed audit instructions provided by the BOE.

The BOE may terminate the MAP under certain circumstances. If the BOE determines that the agreement should be terminated, the taxpayer or feepayer will be notified in writing and any interest due will be computed at the full rate.

Open BOE Data Portal

The *OPEN BOE Data Portal* eases access to a variety of useful aggregate tax, revenue, and expenditure data created and maintained by the BOE, including:

- Taxable sales and other sales and use tax data
- Alcoholic beverage consumption and tax collections
- Cigarette and tobacco products tax revenues
- · Gasoline, diesel, and jet fuel tax statistics
- Assessed property valuations and other property tax related data

Through the data portal you can create charts and graphs, and download or export our data.

Start exploring now! Visit our new OPEN BOE Data Portal at www.boe.ca.gov/dataportal.

Annual Taxpayers' Bill of Rights Hearings

Do you have suggestions for improving our services? Do you have an idea for changing a tax or fee policy or procedure? If you do, come share your ideas and concerns with our Board Members at our annual Taxpayers' Bill of Rights hearings. You may present

your proposal in person or in writing for either the business or property tax portion of the hearings.

Although you are not required to make advance arrangements to speak, it will help us to prepare if you contact the Taxpayers' Rights Advocate Office at 1-888-324-2798 beforehand to let us know your topic. If your proposal is complex or extensive, we encourage you to submit it in advance and then summarize it in your oral presentation.

The annual Taxpayers' Bill of Rights hearings for 2015 are scheduled for May 27 in Sacramento and June 23 Culver City, both starting at approximately 1:30 p.m.

For more detailed information about the hearings, please call the Taxpayers' Rights Advocate Office or visit them at www.boe.ca.gov, where you can also view the office's latest annual report.

Know your rights

As a taxpayer, you have many rights under the law, including the right to:

- Information and assistance to help you comply with the law;
- · Fair and courteous treatment and prompt service;
- · Confidentiality;
- Appeal a decision or claim a refund as allowed by law; and
- Address your elected Board Members.

Along with those rights, you have responsibilities to:

- Stay informed about tax laws and regulations that affect your business;
- · Report and pay taxes and fees when due;
- Promptly respond to BOE attempts to contact you;
- Inform the BOE of changes to your business ownership or address; and
- Maintain adequate records.

For more information, see publication 70, Understanding Your Rights as a California Taxpayer. You may also call the Taxpayers' Rights Advocate Office toll-free at 1-888-324-2798 if you have questions about your rights, or if you have not been able to resolve a problem through normal channels (for example, by speaking to a supervisor).

Civil behavior in trying times

Some observers have noted that civility is decreasing in our society as our lives become more complex. We know that you may find yourself frustrated with the difficulties of the tax laws or pressed for time when dealing with our staff. Still, we ask that you treat our employees just as you would like to be treated in a business situation. Any threatening statement or gesture made to a BOE employee—even a statement made in jest—will be referred to our Internal Affairs Section for investigation.

Ethics at work —"Thank you" is enough

We would like to remind you that BOE policy prevents our employees from accepting gifts of any type. So if you are grateful to someone for going the extra mile to help you with a complicated issue, a simple "thank you" will do. You may also use our online Customer Service Survey form, How Are We Doing Survey—Property & Special Taxes Department, to express yourself.

SPECIAL TAXES AND FEES

■ December 2014

NEWSLETTER

Need more information?

Special Taxes and Fees

State Board of Equalization, MIC:88 PO Box 942879 Sacramento, CA 94279-0088

Internet Mail

www.boe.ca.gov/info/email.html

Customer Service Center: 1-800-400-7115 (TTY:711)

Customer service representatives are available to help you from 8:00 a.m. to 5:00 p.m., Pacific time,

Monday through Friday, except state holidays.

Tax Evasion Hotline

1-888-334-3300

Legislation

www.leginfo.ca.gov

Taxpayers' Rights Advocate

www.boe.ca.gov/tra/tra.htm 1-888-324-2798

Board Member contact and website

Visit our website at www.boe.ca.gov for Board Member information, legislative summaries, regulations, forms and publications, translated publications, and more.

Check out Online Services

We offer several options to make it easier for you to file your returns and pay your taxes or fees online. You can find them on our website under the Online Services tab.